GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:6927
ANSWERED ON:13.05.2002
BIDHANBEG UNIT OF BALCO
BIKASH CHOWDHURY

Will the Minister of COAL AND MINES be pleased to state:

(a) the present status of Bidhanbeg Unit of Bharat Aluminium Company Limited (BALCO) situated near Asansol, West Bengal;

(b) whether the Government had voluntarily agreed to close down the Bidhanbeg Unit of BALCO while handing over the Management of BALCO to the Sterlite Co.; and

(c) if so, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI.RAVI SHANKAR PRASAD)

(a) to (c) Government sold 51 per cent of its equity in Bharat Aluminium Company Limited (BALCO) and handed over the management of the company to M/s. Sterlite Industries (India) Limited with effect from 2.3.2001.The present status of the Bidhanbag Unit of BALCO is that since it had consistently been making losses over the past several years, the new management of BALCO evaluated the resources available at Bidhanbag Unit and explored its viability. It came to the conclusion that in view of the outdated equipment at Bidhanbag as well as excess capacity in the country of modern facilities for production of aluminium foil, it would not be economically viable or prudent to run the Bidhanbag Unit. As a consequence, production at Bidhanbag has been stopped since June, 2001 although the employees (476 as on 1.4.2002) are continuing to be paid their salaries.